

FIRST THINGS FIRST

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AGENDA ITEM:

FY11 Collections and Administrative Costs Account expenditures

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DETAIL:

Revenue (see attached chart)

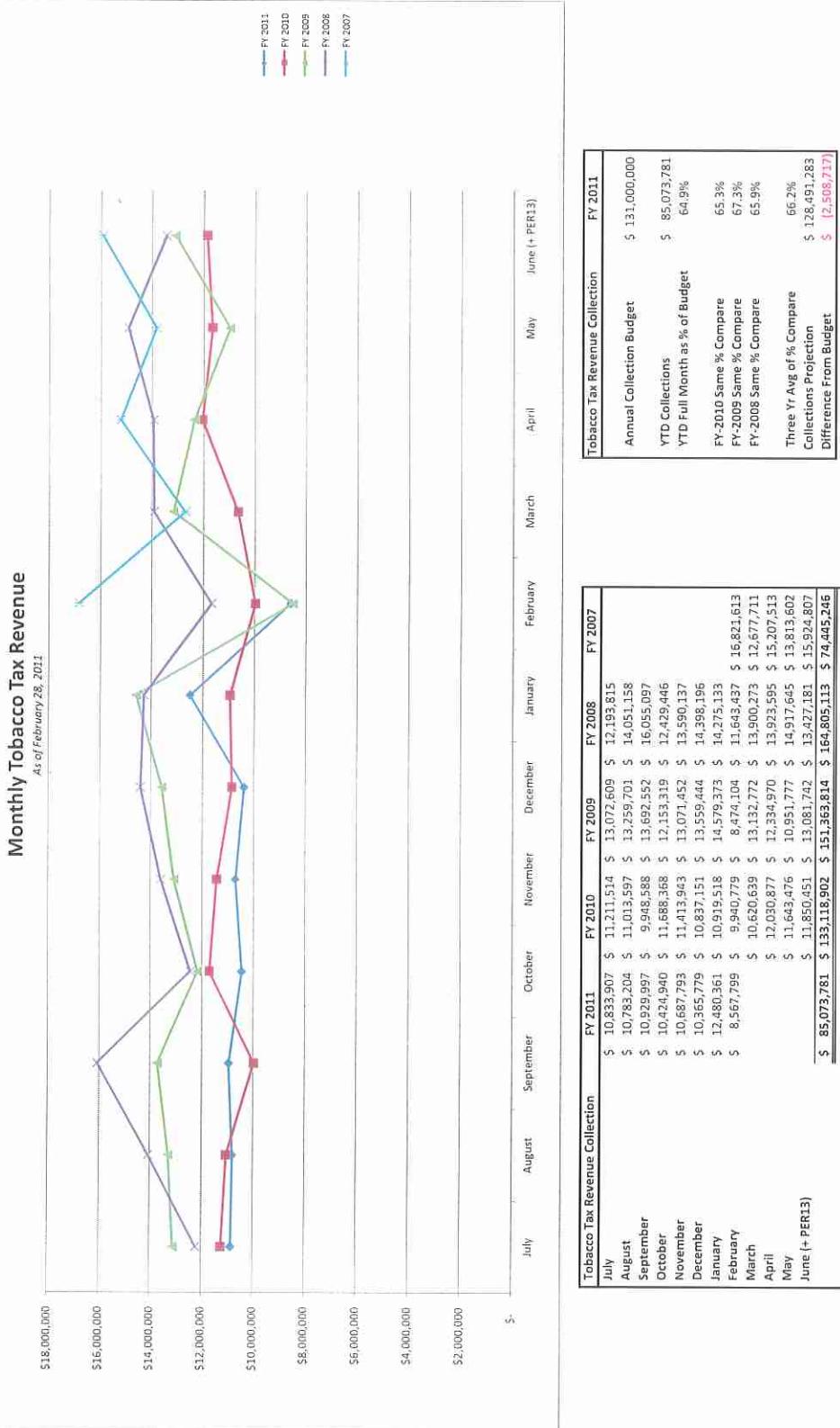
Total FTF Tobacco revenues for FY11 (to be used in FY12) in January and February continued the historic pattern of volatility. January revenues spiked while February revenues dipped. Total current year collections stand at just over \$85.3 million. Compared to the previous fiscal year, Tobacco revenues are running about 3.6% behind last year's collections.

The projected Tobacco collections for FY11 and the basis for the FY12 approved budget is \$131 million. This projected amount is about 1.6% less than the total collections from FY11. As such, collections are running behind projections at this point, and at this point shortfall is likely (see attached). As such, it is anticipated that as part of the June meeting the Board will be asked to review revenues and make decisions about how the over estimation in current year collections will be accommodated.

Interest income continues to show a great deal of stability this fiscal year. Total collections in this area are at just over \$1.8 million. Like revenues this amount is lagging behind projections (see attached). The reason for this gap (between actual and projection) is that that interest rate received on the investment of our pooled cash has fallen off dramatically compared to previous years and currently stands at about 0.054% a month or 0.65% a year (APR).

Operation Expenditures (see attached table)

With eight months of FY11 booked, FTF has expended \$8.95 million against the \$15.46 million Administrative Account budget. As such, FTF administrative expenditures continue to track favorably. FTF has spent about 57.9% of its administrative budget compared to 66.66% of the fiscal year having passed.



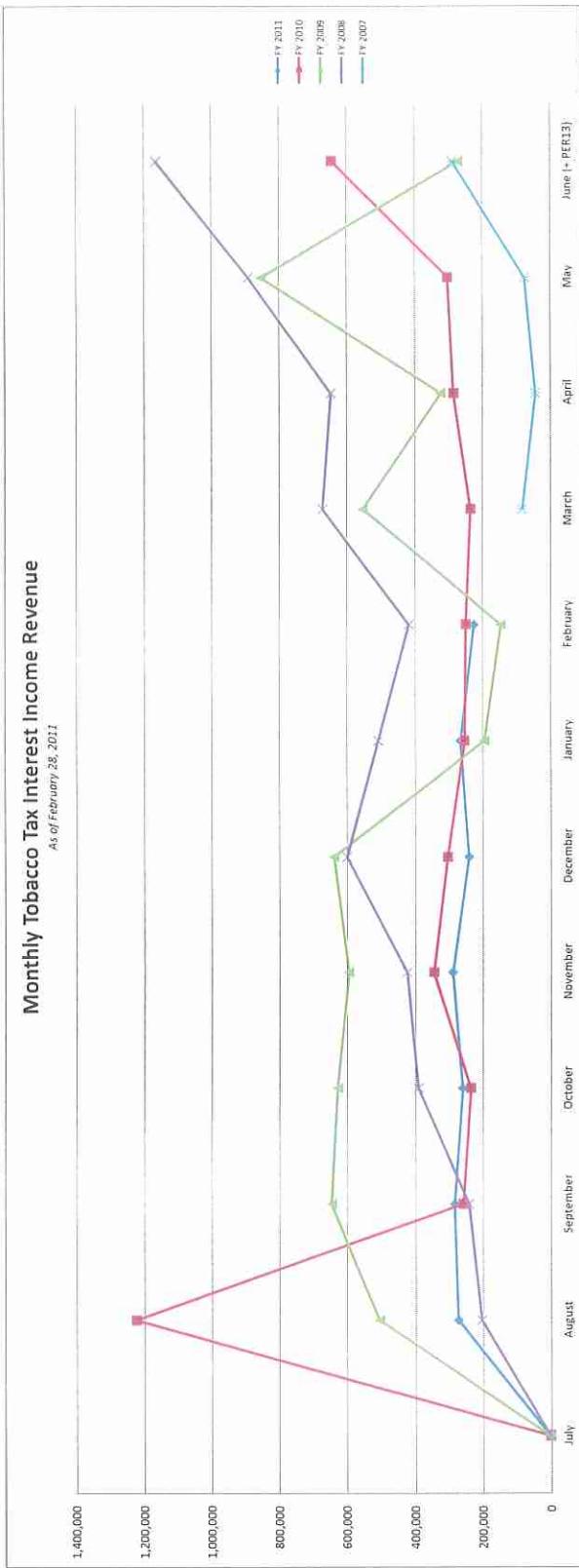
FIRST THINGS FIRST
FY11- Tobacco Administration Summary Report
As of February 28, 2011

UNAUDITED

	FY11 Original Budget	Budget Adjustments	Current Budget R2	February Expenditures	Encumbered Balances	YTD Expenditures	YTD Expends +	Current Balance	% YTD Exp + Enc to Budget
Personal Services	\$14,680,728	(\$7,361,610)	\$7,319,118	\$227,417	\$0	\$4,404,287	\$2,914,832		60.1%
ERE	\$0	\$2,834,863	\$2,654,863	\$200,423	\$0	\$1,624,221	\$1,624,221	\$1,010,341	61.1%
Professional & Outside Services	\$1,000,000	(\$22,654)	\$977,336	\$25,613	\$129,954	\$348,761	\$498,621	49.0%	
Travel In-State	\$0	\$485,850	\$485,850	\$24,822	\$0	\$173,664	\$173,664	\$312,185	35.7%
Travel Out-of-State	\$0	\$49,210	\$49,210	\$3,687	\$0	\$9,176	\$9,176	\$40,034	18.5%
Food	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Aid to Organizations	\$0	\$0	\$0	\$0	\$0	\$1,414	\$1,414		
Other Operating Expenditures	\$0	\$1,878,894	\$1,878,894	\$138,564	\$286,877	\$1,014,521	\$1,301,498	\$69,3%	
Equipment	\$0	\$172,241	\$172,241	\$78,913	\$13,109	\$133,766	\$146,875	\$25,356	85.3%
Sub-Total Operating	\$15,680,728	(\$2,163,217)	\$13,517,511	\$999,439	\$49,940	\$7,710,209	\$8,140,150	\$5,377,361	60.2%
One Time (non-operating) Expenses:									
ERE to Personal Services:									
Grand Total	\$15,680,728	(\$219,123)	\$15,461,605	\$1,177,661	\$1,002,700	\$8,948,336	\$10,031,036	\$5,430,569	64.9%
ERET to Personal Services:									
Grand Total									
Budgeted FTE Positions	138.75								
Filled FTE Positions	114.75								
Head Count	115.00								

Monthly Tobacco Tax Interest Income Revenue

As of February 28, 2011



Tobacco Interest Revenue Collection	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	
July	\$ 271,833	\$ 1,223,591	\$ 502,912	\$ 202,360	\$ 282,970	Annual Collection Budget
August	\$ 257,294	\$ 644,892	\$ 250,268	\$ 234,062	\$ 259,133	YTD Collections
September	\$ 343,513	\$ 592,399	\$ 421,934	\$ 287,512	\$ 343,512	YTD Full Month as % of Budget
October	\$ 302,624	\$ 636,611	\$ 588,144	\$ 239,389	\$ 302,624	FY 2010 Same % Compare
November	\$ 253,959	\$ 193,422	\$ 506,930	\$ 264,571	\$ 248,407	FY 2009 Same % Compare
December	\$ 248,407	\$ 144,280	\$ 416,711	\$ 224,468	\$ 233,651	FY 2008 Same % Compare
January	\$ 550,854	\$ 670,193	\$ 81,181	\$ 283,112	\$ 321,359	Three Yr Avg of % Compare
February	\$ 644,756	\$ 42,514	\$ 301,562	\$ 881,027	\$ 889,538	Collections Projection
March	\$ 73,504	\$ 1,162,859	\$ 266,932	\$ 642,251	\$ 270,413	Difference From Budget
April	\$ 484,131	\$ 56,183,070	\$ 484,131	\$ 484,131	\$ 484,131	\$ 484,131
May	\$ 484,131	\$ 484,131	\$ 484,131	\$ 484,131	\$ 484,131	\$ 484,131
June (+ PER13)	\$ 484,131	\$ 484,131	\$ 484,131	\$ 484,131	\$ 484,131	\$ 484,131

Note: August FY10 Interest Income spike is related to an accounting adjustment associated with FY09 and made by the Treasurer's office. Total FY10 tobacco tax interest collected shown is according to the dates funds cleared the state's accounting system. Total FY10 tobacco tax interest collected on an accrual basis comes to \$4,298,717.